

Frequently Asked Questions Summary Investing Land/Dwelling in Western Australia Based on Residency Status

FAQs	Foreign Residents	Permanent Residents of Australia	Permanent Residents of Australia who are Non-Resident of Australia for Tax Purposes
1 Do I need FIRB approval to invest in property in Western Australia?	YES	NO	NO
2 Do I need FIRB approval to buy an established dwelling?	YES	NO	NO
3 How do I apply for FIRB?	Register for myGovID (phone app) and Online Services for Foreign Investors (OSFI). From the OSFI platform, you can: <ul style="list-style-type: none"> ✓ apply for FIRB Application and make payment ✓ register your asset (your property) ✓ lodge Annual Vacancy Fee Return 	Not Applicable.	Not Applicable.
4 Is there a fee for Foreign Investment Applications?	YES <ul style="list-style-type: none"> ✓ Starts at AU\$14,100 for acquisitions of AU\$1m or less. 	Not Applicable.	Not Applicable.
5 What reporting obligations do I have when purchasing new residential property?	<ul style="list-style-type: none"> ✓ For property costing AU\$750,000 or more, required to withhold 12.5% and remit to the Australian Taxation Office unless there is a Clearance Certificate from the ATO. Also applies to used property. ✓ GST at settlement is payable directly to the ATO. Only applies to new property. 	<ul style="list-style-type: none"> ✓ For property costing AU\$750,000 or more, required to withhold 12.5% and remit to the Australian Taxation Office unless there is a Clearance Certificate from the ATO. Also applies to used property. ✓ GST at settlement is payable directly to the ATO. Only applies to new property. 	<ul style="list-style-type: none"> ✓ For property costing AU\$750,000 or more, required to withhold 12.5% and remit to the Australian Taxation Office unless there is a Clearance Certificate from the ATO. Also applies to used property. ✓ GST at settlement is payable directly to the ATO. Only applies to new property.
6 What other costs are to be paid when purchasing residential land/dwelling?	The following costs apply: <ul style="list-style-type: none"> ✓ Stamp/Transfer Duty. Stamp duty rebate may apply. ✓ Transfer fees ✓ 7% surcharge on Stamp/Transfer Duty applies using residential rate. ✓ Settlement Agents fees ✓ Land tax ✓ Council rates ✓ Water rates 	The following costs apply: <ul style="list-style-type: none"> ✓ Stamp/Transfer Duty. Stamp duty rebate may apply. ✓ Transfer fees ✓ Settlement Agents fees ✓ Land tax ✓ Council rates ✓ Water rates 	The following costs apply: <ul style="list-style-type: none"> ✓ Stamp/Transfer Duty. Stamp duty rebate may apply. ✓ Transfer fees ✓ Settlement Agents fees ✓ Land tax ✓ Council rates ✓ Water rates
7 Is income tax payable on rental income?	INDIVIDUAL <ul style="list-style-type: none"> ✓ YES, based on Foreign Tax Rates. ✓ Net rental loss can be offset against current and future income or capital gain. 	INDIVIDUAL <ul style="list-style-type: none"> ✓ YES, based on Resident Tax Rates. ✓ Net rental loss can be offset against current and future income or capital gain. 	INDIVIDUAL <ul style="list-style-type: none"> ✓ YES, based on Foreign Tax Rates. ✓ Net rental loss can be offset against current and future income or capital gain.

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Is income tax payable on rental income? (Continuation)	COMPANY <ul style="list-style-type: none"> ✓ Income Tax Rate is 30%. ✓ Fully franked dividends will not attract further tax in Australia. ✓ Unfranked dividends attract 30% withholding. ✓ Thin Cap rules will apply to interest paid, bank charges and borrowing costs that is > AU\$2m. 	COMPANY <ul style="list-style-type: none"> ✓ Income Tax Rate is 30%. ✓ Fully franked dividends will be taxable to shareholders. A tax credit available for tax paid by the company. 	COMPANY <ul style="list-style-type: none"> ✓ Income Tax Rate is 30%. ✓ Fully franked dividends will not attract further tax in Australia. ✓ Unfranked dividends attract 30% withholding. ✓ Thin Cap rules will apply to interest paid, bank charges and borrowing costs that is > AU\$2m.
8 Is Goods and Services Tax (GST) payable?	NO GST will apply for Residential rental income.	NO GST will apply for Residential rental income.	NO GST will apply for Residential rental income.
9 Is First dwelling Owner Grant (FHOG) Applicable?	Not applicable to Foreign Residents.	YES. The grant is ≤ AU\$10,000. Application must be within 12 months of the completion date.	Not applicable because cannot meet the minimum continuous 6 months physical occupancy of the residence.
10 Is Capital Gains Tax (CGT) payable on disposal of an Australian property?	YES, as part of income tax return. Foreign resident tax rates will apply. Not eligible for 50% discount and main residence exemption does not apply. If owned by a company, a 30% tax rate will apply.	YES, as part of income tax return. Resident tax rates will apply. Main residence exemption may apply and 50% CGT discount will apply if owned for 12 months or more. If owned by a company, a 30% tax rate will apply. Not eligible for 50 % CGT discount.	YES, as part of income tax return. Foreign resident tax rates will apply. Not eligible for 50% CGT discount and no longer entitled to main residence exemption. If owned by a company, a 30% tax rate will apply.
11 Do I need to incorporate a company in Australia?	<ul style="list-style-type: none"> ✓ No. You can have your foreign company. ✓ Different requirements, reporting obligations and fees apply to an Australian company and Overseas company. 	Only if you are buying the property in a company.	Only if you are buying the property in a company.
12 What records do I need to keep in acquiring Australian property?	All records from the contract of purchase, contract of sale, settlement statement for 5 years from the time of sale. All records of rental income and expenses to be kept for 5 years.	All records from the contract of purchase, contract of sale, settlement statement for 5 years from the time of sale. All records of rental income and expenses to be kept for 5 years.	All records from the contract of purchase, contract of sale, settlement statement for 5 years from the time of sale. All records of rental income and expenses to be kept for 5 years.